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C O N F I D E N T I A L ASUNCION 000489

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E.O. 12958: DECL: 06/07/2027 TAGS: <u>PINR PGOV PREL ECON PA</u>

SUBJECT: PARAGUAY: DUARTE PURGES DISSIDENTS FROM

ADMINISTRATION

Classified By: A/DCM James P. Merz; Reasons 1.4(b),(d)

- 11. (U) SUMMARY: President Duarte,s Secretary, Carlos Liseras, announced June 5 changes in the cabinet. The Minister of Public Works and Minister of Interior have been replaced or reassigned. In addition, Duarte replaced the Director of Yacyreta Binational Entity, the Executive Director of Itaipu Binational, and the Director of DINAC (Direccion Nacional Aeronautica Civil). All five changes target friends or associates of VP Luis Alberto Castiglioni (who is running against Duarte's preferred presidential candidate Blanca Ovelar) and acting Colorado Party President Jose Alberto Alderete (who has withheld support for Duarte's candidate). END SUMMARY.
- 12. (C) PUBLIC WORKS: Former Interior Minister Rogelio Raimundo Benitez Vargas replaces Minister of Public Works Panfilo Benitez Estigarribia. Benitez Estigarribia replaced Alderete as Public Works Minister and is said to be a friend of Alderete's and was named to the position at Alderete's behest. Rogelio Benitez (a lawyer by profession with no technical background) was the mayor of Encarnacion from 2001 until February of 2005; and proves to be an incompetent dilettante as Interior Minister, incapable of responding to increased kidnappings and violent crime. He remains a close associate of Duarte and served as Duarte,s campaign manager in Encarnacion.
- ¶3. (C) INTERIOR: Guillermo Delmas Frescura, who represented President Duarte on the highly politicized Council of Magistrates for three years, has been designated as the new Interior Minister. Delmas garnered fame as the head of an effort to evaluate the performance of Paraguayan judges in 2005 at Duarte's behest. He is accused of extortion and defamation in connection with this project. He is the fifth person to be appointed to Interior Minister in four years.
- ¶4. (U) YACYRETA: Paul Sarubbi, a former member of the House of Deputies and a close associate of Duarte, has been designated the new Director of Yacyreta Binational Entity. Sarubbi replaces Angel Maria Recalde, a supporter of both Castiglioni and Alderete. Sarubbi is a self-described friend of the United States.
- 15. (U) ITAIPU: Oscar Antonio Ovelar Rojas, a leader of the Colorado Party in Alto Parana, replaces Justo Aricio Zacarias Irun as the new Director of Itaipu Binational. Zacarias is the brother of the Mayor of Ciudad del Este Javier Zacarias Irun, a strong political ally of Castiglioni.
- 16. (U) DINAC: Retired Air Force Colonel Eduardo Osvaldo Miers Schiavo and former pilot for the defunct LAP (Paraguay Airlines) replaces Tomas Enrique Bittar Navarro as Dinac Director. Bittar served as Director since March 2005 at Alderete,s request. As Director he was known for campaigning for airport improvements and for deregulating airfare rates. His resignation came as a result of his

unwillingness to support Duarte, s presidential candidate.

17. (C) COMMENT: The purging of dissident Colorados is a clear message to others in the Party that Duarte will not tolerate dissent. He expects cabinet ministers to tow the Party (his) line. His opponents also allege their supporters among lower-level officials are losing their jobs. This is common Colorado play to discourage rank and file party members from supporting Party dissidents, much less opposition party candidates. Duarte's insistence that Education Minister Blanca Ovelar serve as the standard-bearer for the Colorados has antagonized many within the Party. The challenge now is for Castiglioni and Alderete who lack Duarte's superior structure and access to state funds - to take full advantage of the growing dissent within the Colorado, s own ranks. The Party,s official presidential candidate will be decided by internal elections in December. END COMMENT FITZPATRICK